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CPW Report No. 15 - COMMUNIST CHINA

(Mar. 24 - 30, 1952)

## SUMMARY

Preliminary examination of Chinese Communist broadcasts to the Chinese people in the week ending Mar. 30 leaves the impression that the anticorruption drive is in a thoroughly confused state. Radio broadcasts and exhibits to promote the drive were reported by several broadcasting stations, with one newspaper quoted as urging more rallies. Confession and accusation meetings, though principally confined to special groups, seemed to be on the increase, with the established pattern--accusation-confession-pardon, or accusation-denial of guilt-arrest--being maintained. Orders and regulations for disposing of corruption cases, however, were issued by Peking several weeks ago, numerous cadres have been removed from the drive to push normal production, and indications of a strong urge to dispose of corruption cases and close the drive have been evident for some time.

Side by side with this belated promotion of the anticorruption drive in some quarters were reports of wholesale adjudication of cases in accordance with the regulations laid down by Peking, and of minor offenders being pardoned by the hundreds. Even persons guilty of corruption involving as much as 100 million yuan were pardoned provided they confessed their guilt and refunded the money illegally obtained. This attempt at rapid adjudication met with serious difficulties in some quarters.

To further speed up the adjudication proceedings, Peking announced new regulations for setting up special tribunals in cities and hsien where the number of violators was high. These special courts would have power to "arrest, try, and punish," but cases involving punishment by death or 10 or more years of imprisonment were to be reviewed by the hsien or municipal Government. Cases involving firms classified as law-abiding or semi-law-abiding were to be handled entirely by the Austerity Committee, but these defendants could appeal their cases to the special tribunal.

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In the organization of the special courts, too, confusion was apparent, with one station announcing the organization of a "temporary People's Court," another the setting up of a "summary court," both of which could possibly be the same as the special tribunal outlined by Peking. A third station, however, reported the setting up of a "summary court," which tried a number of cadres for corruption and sentenced four to "immediate execution," which would seem to be in direct conflict with Peking rules for the special tribunals.

Some degree of clarification was obtained in a Peking report of a statement made by Shanghai Mayor Chen I to the local Increased Production and Economy Committees--the committees originally set up to conduct the drive to increase production and eliminate waste, prior to organization of the Austerity Committees for directing the anticorruption drive. Mayor Chen announced formal initiation in Shanghai of the five-anti's campaign against private businessmen to eliminate bribery, tax evasion, embezzlement of Government property, cheating on contracts, and stealing of Government economic information. Inroads of capitalists into the Party and the working class were said to be better planned and organized in Shanghai than in other parts of China. There the "techniques of attack" are smarter, and therefore the success of the five-anti's drive in the Nation hinges on its success in Shanghai.

First mention of the five-anti's campaign was heard in a Shanghai broadcast Feb. 3. Since then it had been mentioned frequently, but was overshadowed by the anticorruption drive, with its confession and accusation meetings and tiger hunts. Apparently all previous reference to the five-anti's drive was premature, as the big drive against corrupt capitalists, the true five-anti's drive, was not supposed to start until the spectacular but less vital drive against waste, corruption, and bureaucracy was in the process of being closed.

However, despite his vigorous denunciation of vicious capitalists, who would challenge even the People's Government, Mayor Chen was careful to point out that the five-anti's drive is not aimed at "liquidation of the capitalist class," like, for example, the land reform struggle, which aims at "liquidation of the landlord class." It is only the "harmful actions of the capitalist class" which are to be eliminated. Capitalists who accept the leadership of the Communist Party will continue to "engage in legal business and reap legal profits." The revolution still is dependent on the union of the three classes--workers, peasants, and petty bourgeois. Actually, according to Chen, the vicious capitalists that must be punished make up only about 5 percent of the total. Through their elimination by the five-anti's campaign the capitalist class itself will be the big gainer. This new drive, Mayor Chen declared, must be orderly, and must be entirely in the hands of the Increased Production and Economy Committees. "False examiners" must be punished; in other words there will be no wild accusations and hysterical meetings. What Chen is suggesting is that the anticorruption campaign was a noisy, unruly, rabble-rousing affair that often got completely out of hand. The new drive will be kept under rigid control.

Further evidence that certain Communist leaders fear the anticorruption campaign went too far in alienating the capitalist class, which the Government still needs and is not yet ready to liquidate, was shown in numerous broadcasts concerning the relationship between private business and State-owned concerns. Government companies apparently were going out of their way to give business to private firms damaged or closed by the anticorruption drive. Evidence also was unmistakable that the anticorruption drive had done considerable damage. Hangchow in particular revealed a number of instances in which business and production were at a complete standstill as a result of the drive, while similar testimony came from regional broadcasting stations in the Northeast, the Southwest, and Foochow, in Fukien Province.

Reports of actual resistance to the anticorruption drive were not numerous, and generally were less spectacular than in the past. However, there were charges of continued oppression of workers and the closing down of business houses. Workers and cadres still were often described as being "lax" or "reluctant," and "indoctrination" was resorted to in many cases to get action, but senior clerks and accountants seemingly were causing less of a problem than in the past. There was a slight drop in

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number of reported arrests for corruption, and few of the cases were spectacular or of major import. Sixteen firms were said to have handicapped the Huai River project through their corrupt dealings, and East China shipbuilders were said to have robbed the Government of large sums through cheating on contracts. Arrests of public officials for corruption seemed to be about normal, with some in rather high positions exposed in Chenchiang and Tsinan, while Nanchang reported the expulsion of the Kiangsi Party Committee's chief of propaganda.

Reports of famine, threats of famine, and distribution of relief food came from Kiangsi, Hupeh, Hunan, Kwangtung, Szechwan, Hainan Island, and Fukien, with Foochow in the last-named province again standing out as the East China city with the highest living costs. Damage to early crops through floods and heavy rain also was reported.

Considerable stress was placed on spring farming activities, with cadres again ordered in some areas to forget the anticorruption drive and give their attention to the farm program. In some areas middle-class farmers were reported to be without seed and farming tools, supposedly because they had made loans to poor farmers which could not be repaid. Rural cadres received their normal portion of blame for farm difficulties, but the peasants themselves were not blameless.

Peking continued to accuse the United States of using bacteriological warfare, both in Korea and in Northeast China, and made much of the report of the International Association of Democratic Lawyers. Relatively little comment came from the regional stations, though an occasional broadcast reported a protest by some group, including "blind workers" in Dairen. There also was an apparent falling off of interest in organizing to combat bacteriological warfare, with not one announcement monitored of medical volunteers for Korea. Charges that Chinese contractors damaged the efforts of the Chinese Volunteers were few, and details were lacking. Attention to preferential treatment for dependents of servicemen was somewhat greater than during recent weeks, but principally in connection with the spring production drive.

Considerable resistance to land reform, both from landlords and farmers, was reported from Kiangsi and Yunnan, while Wuhsi announced that a Shanghai editor had been dismissed for "sabotaging land reform."

Peking told of a trade team organized by a State-operated company in Tsinghai Province which penetrated into two towns of Tibet and carried on a brisk trade with the natives. The Tibetans were said to have "pinned up Chairman Mao's portrait," and to have "ardently loved" the trade team. However, the team used 30 guards with rifles and horses furnished by a local chief for their protection.

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